## OROVILLE FACILITIES RELICENSING (Project No. 2100)

## PROPOSED ACTIONS AND PURPOSE AND NEEDS STATEMENT

<u>Proposed Federal Action</u>: FERC issuance of a new license to DWR under the Federal Power Act for the continued operation of the Oroville Facilities as a hydroelectric generating facility under reasonable terms and conditions.

<u>Proposed State Actions</u>: (1) SWRCB certification, pursuant to Section 401 of the Clean Water Act, that the new FERC license is consistent with State water quality standards promulgated pursuant to Federal and State law.

(2) Compliance with the terms and conditions of the new FERC license, SWRCB certification and any accompanying settlement agreement.

<u>DWR's Relicensing Objectives</u>: The basic objective of DWR's alternative licensing procedures is to obtain a new FERC license to authorize continued cost-effective operation of the Oroville Facilities, while addressing FERC concerns and as many stakeholder concerns as is feasible in a consensusbacked settlement agreement, including those of resource management agencies, Native American people, local government and others.

<u>Purpose and Needs</u>: <u>Electric Power</u>. The Oroville Facilities (Project No. 2100) are used to generate hydroelectric power and provide other important ancillary electrical system benefits, including spinning reserve, peaking capacity, voltage regulation and grid stability. About 40% of power generated from the Oroville Facilities is exchanged with Southern California Edison Company pursuant to two power exchange contracts and used in the Western States Coordinating Council region. The remainder of the power generated is used for State Water Project purposes. By producing hydroelectricity, the Oroville Facilities displaces the need for other power plants to operate, thereby avoiding significant power plant emissions.

<u>Water Supply</u>. The Oroville Facilities are an important part of the State Water Project, a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants. The main purpose of the SWP is to conserve and distribute water to supplement the needs of urban and agricultural users in Northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. The Oroville Facilities serve to store and conserve water for water supply and to provide seasonal capacity for flood management purposes.

The Oroville Facilities fulfills the following water supply purposes that are based on contractual and regulatory obligations:

- Irrigation water supply for historic Feather River water rights holders in Butte and Sutter counties.
- In-stream flows for Chinook salmon, steelhead and other aquatic species.
- Salinity control in the Delta and Suisun Marsh, pursuant to the State Water Resources Control Board's 1995 Bay-Delta Water Quality Control Plan.
- Delta exports for SWP contractors.
- Provide capacity for water transfers, including CALFED Environmental Water Account.

Flood Control, Recreation and Environmental Purposes. The federal government, through the U.S. Army Corps of Engineers, provided capital funding for the flood management storage component of the Oroville Facilities and has ongoing jurisdiction over flood control operations. In addition, the Oroville Facilities provide important recreation, fish and wildlife benefits.

Although the focus of the NEPA and CEQA analysis is on power generation, the alternatives considered in the environmental analysis must substantially meet the above-described purposes of the Oroville Facilities.